

FDD-PST

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Sent: Friday, April 28, 2000 1:20 PM
To: fdd-pst@fns.usda.gov; efreeman@doe.k12.ga.us; mbrannen@doe.k12.ga.us
Subject: USDA's Business Process Re-engineering (BPR)/Proposal for Change

usda re-engineering

april, 200...

Please review the attached document which contains my comments concerning the BPR/USDA Proposal for Change.

April 25, 2000

MEMORANDUM

TO: FD2000 Project Coordinator
Food Distribution Division-FNS

FROM: Cheryl Calhoun, Director
School Nutrition Program
Fayette County Schools, GA

Ref: **USDA's BUSINESS PROCESS RE-ENGINEERING (BPR)/
PROPOSAL FOR CHANGE**

Enclosed are my responses to the proposed BPR/Proposal for change.

Procurement and Specifications:

1. Expand the use of long-term contracts

This appears to be a good concept; however, the question of storage of these items causes concern. Who will store these items and for how long? Will the end user be required to pay the cost of storage? This could cost the school lunch programs additional fees if the items could not be pulled in the required time period.

Additional explanation is needed concerning the Internet ordering system. It is not clear as to who places the orders, funding for the Internet system, and how it would be beneficial to the local system.

2. Test best-value contracting

This concept could improve the existing FDP. However, please explain how vendors would be more responsible for product liability and food safety. This should already be in place.

Additional explanation is needed concerning weighting to determine best value. How will points be assigned? Will any of the areas for evaluation create more paperwork or reporting for SDA's or SFA's? Would this limit competition of small vendors?

3. Product Specifications

Certain product updates could improve the program, but some concerns are:

1. That the fat content of ground beef could change to an industry standard or 70/30.

2. That the syrup pack for fruits would change to heavy syrup instead of light syrup.

This could effect the School Meal Initiative. **Specific explanations as to the changes in specifications should be made available for comment.**

4. Allow Vendors to use Commercial Labels

Additional explanation is needed as to how the SFA would be assured of receiving their full allotment. The use of commercial labels would create an accounting nightmare, as USDA products could and probably would be mixed with other purchased items.

How would USDA audits determine which items are USDA or commercially purchased? Could non-domestic foods bearing commercial labels become a part of the USDA program (tomatoes, strawberries, beef, etc.)?

How are we to comply with 7CFR part 250.16, 250.17, 250.18, etc and 7CFR 3052(OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations)? Will any of these regulations be revised to accommodate this change?

Commodity Processing

5. Move toward national umbrella contracts with processors

I basically agree with this concept. However, I do have two concerns: Will this limit the number of items and exactly how is it going to work?

6. Expand full substitutability of commodity products

My concerns include the following:

1. Non-domestic purchases of food.
2. Safety of non-domestic food items.
3. Requirements on imported products: are grading requirements in place?
4. Monitoring of planned assistance levels (PAL).
5. The number of alerts, recalls and holds on commercial items as compared to USDA items.

7. Work with States to test the seamless commodity distribution concept.

This section has many unknowns and additional information is needed. Who monitors the PAL to insure that school systems receive their full PAL? How will federal procurement guidelines be met to determine which distributor supplies the foods used in the school lunch program? We currently use 3 distributors. How will USDA purchase commodities to avoid long storage periods of product or is USDA purchasing only commercially labeled products so they are interchangeable? **(This I strongly oppose as stated above.)**

From the distributor's perspective, has slotting for the additional USDA items been determined and the charges calculated? Who will pay that fee? Can all distributors accept the USDA plan? If commercial labels are used who will monitor that the schools are receiving the products specified? Will distributors be allowed to substitute items? If they substitute who will monitor at the school level that the quality meets specifications?

8. Facilitate the processing of commodities with limited demand

This appears to be a good concept if applied to the existing FDP system. Consideration should be given to utilizing some of these items in other program areas such as needy families, congregate feeding, etc.

Commodity Holds and Recalls

9. Develop written hold and recall procedures.

This is an excellent concept that could be applied to improve the existing FDP.

10. Reduce the duration of product holds at the school level.

This is an excellent concept that could be applied to improve the existing FDP.

11. Publish commodity recall reimbursement procedures

This is an excellent concept that could be applied to improve the existing FDP.

Communication/Pilots/Other Improvements

12. Provide computer connectivity to the school district level

This is a major project doomed for failure. How will USDA interface with all the different hardware/software in the nation? If required by USDA, who will pay the school district's share to insure that the connectivity will network with USDA? Will USDA provide knowledgeable staff for telephone assistance to 60,000 SFA's with varying degrees of expertise? Will USDA provide training to all the SFA's across the nation?

When an alert/recall occurs, what assurance will USDA have that e-mail has been received in a timely manner? Will USDA take the steps to ensure timely notification of affected SFA's?

13. Provide a single USDA point of contact

This appears to be a good idea, however, **WHO** will be the single point of contact:

USDA, the State Agency or is this for industry only?

14. Work with states and partners to pilot-test improvements

When did these nine pilots begin? Who was selected to be in the pilot? Are varying types of SFA's represented? Who selected the SFAs to participate in the pilot? What criteria were used for selection of these SFAs? Was there a public announcement of the pilots? What is the baseline data? What is being evaluated? What states are the control groups? What are the objectives and anticipated outcomes for each pilot? Is the time frame long enough to have valid results? **Will the results of all nine pilots be published?**

15. Other Improvements: Facilitate the use of 4/11 funds for commodity purchases; encourage cooperatives; and relax truckload requirements

In Georgia, the use of 4 and 11 funds would shift procurement from the local level to USDA. Would SFA's lose control over product specifications?

What is the purpose of USDA purchasing cooperatives?

I approve of relaxing truckload requirements. It would greatly improve the existing FDP system.

16. Streamline paperwork and reporting requirements

This is an excellent idea. However, with many of the proposals outlined in the BPR, will this really occur? Will USDA revise part 3052 and 250 regulations to address reporting record keeping and compliance?